

DW 02-156

LAKES REGION WATER COMPANY, INC.

Petition for Permanent Rate Increase

**Order Scheduling Prehearing Conference
and Suspending Proposed Tariffs**

O R D E R N O. 24,085

November 15, 2002

On August 19, 2002, Lakes Region Water Company (Lakes Region or the Petitioner) filed a Notice of Intent to File Rate Schedules. The Commission received that rate filing on October 21, 2002. In it, Lakes Region states it experienced a revenue deficiency in its test year ending December 31, 2001. The filing proposes an increase in revenues and permanent rates for its divisions in Far Echo Harbor, Paradise Shores, West Point, Waterville Valley Gateway (WVG), Hidden Valley, Wentworth Cove, Pendelton Cove, Deer Run, Woodland Grove, Echo Lake Woods, Brake Hill Acres, Hidden Valley Shores, Tamworth and 175 Estates.

The filing proposes to make the rate increase, effective October 1, 2002. It would increase annual revenues for the Lakes Region division by \$42,279, or 10.20 percent; for the Tamworth service area by \$10,193, or 26.70 percent; and for the 175 Estates service area by \$10,096, or 110.23 percent. The new tariff rates would impose a \$100 increase to the WVG's pool charge, which represents a 13.79 percent increase. The proposed tariffs specify

the rates and charges as follows: 1) Lakes Region: \$74.67 minimum charge plus \$3.46 per cubic 100 feet; 2) Tamworth and 175 Estates: \$117.41 quarterly charge; 3) WVG community pool rate: \$825.00 annually. Lakes Region did not file for temporary rates.

An investigation is necessary prior to determining whether or not the proposed increases in permanent rates and charges are in the public good. Issues raised by the filing include, inter alia, RSA 378:7 concerning just and reasonable rates and charges, the Petitioner's proposed operation and maintenance costs, capital costs associated with plant additions, the inclusion of post test year capital additions, rate of return, and the Petitioner's compliance with previously issued Commission Orders relative to accounting treatment of acquisition adjustments.

Based on the foregoing, it is hereby

ORDERED, that Lakes Region Water Company's NHPUC NO. 5. WATER First Revised Page 9, First Revised Page 10, and First Revised Page 11 be and hereby are suspended; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.05, be held before the New Hampshire Public Utilities Commission located at 8 Old Suncook Road, Concord, New Hampshire on December 17, 2002 at 10:00 at which each party and Commission Staff will provide a preliminary summary of its positions with regard to the Petition; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, Lakes Region, Commission Staff and Intervenors hold a First Technical Session to review the noticed issues; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.01, Lakes Region notify all persons desiring to be heard at this hearing by sending by First Class Mail, a copy of this Order to each of the Petitioner's customers the and the Town Clerks of Moultonboro, Thornton, Wolfeboro, Tuftonboro, Laconia, Campton, Conway, North Conway and Tamworth, postmarked no later than December 3, 2002, and by publishing a copy of this Order of Notice no later than December 3, 2002, in a statewide newspaper of general circulation, publication to be documented by affidavit filed with the Commission on or before, December 17, 2002; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a Petition to Intervene with copies sent to Lakes Region and the Office of the Consumer Advocate on or before December 12, 2002, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.02 (a) (2); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before December 17, 2002.

By order of the Public Utilities Commission of New
Hampshire this fifteenth day of November, 2002.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Debra A. Howland
Executive Director and Secretary

Any individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the American with Disabilities Act Coordinator, NHPUC, 8 Old Suncook Road, Concord, New Hampshire 03301-7319; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Preferably, notification of the need for assistance should be made one week before the scheduled event.